

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
 STATEMENTS OF INCOME (LOSS)
Unaudited
 NINE MONTHS ENDED SEPTEMBER 30,
 (Millions except share and per share amounts)

	<u>2003</u>	<u>2002</u>
Net sales and operating revenues:	<u>\$ 2,834</u>	<u>\$ 2,613</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	2,249 (a)	2,058 (d)
Engineering, Research and Development	50	49
Selling, General and Administrative	276	271 (e)
Depreciation and Amortization of Other Intangibles	<u>120</u>	<u>104</u>
Total Costs and Expenses	<u>2,695</u>	<u>2,482</u>
Gain on sale of assets	-	11 (f)
Loss on sale of receivables	(1)	(2)
Other Income (Loss)	<u>(1)</u>	<u>(2)</u>
Total Other Income (Loss)	<u>(2)</u>	<u>7</u>
Income before Interest Expense, Income Taxes, and Minority Interest		
North America	109 (a)	108 (d) (e)
Europe	8 (a)	15 (d) (e) (f)
Other	<u>20</u>	<u>15</u>
	137	138
Less:		
Interest expense (net of interest capitalized)	105 (b)	108
Income tax expense (benefit)	(1) (c)	6 (g)
Minority interest	5	2
Income before Cumulative Effect of Change in Accounting Principle	<u>28</u>	<u>22</u>
Cumulative Effect of Change in Accounting Principle, net of income tax	-	(218)
Net income (loss)	<u>\$ 28</u>	<u>\$ (196)</u>
Average common shares outstanding:		
Basic	<u>40.3</u>	<u>39.8</u>
Diluted	<u>41.5</u>	<u>41.7</u>
Earnings (loss) per share of common stock:		
Basic-		
Before Cumulative Effect of Change in Accounting Principle	\$ 0.71	\$ 0.56
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(5.48)</u>
	<u>\$ 0.71</u>	<u>\$ (4.92)</u>
Diluted-		
Before Cumulative Effect of Change in Accounting Principle	\$ 0.69	\$ 0.53
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(5.48)</u>
	<u>\$ 0.69</u>	<u>\$ (4.95)</u>

(a) Includes restructuring and restructuring related charges of \$7 million pre-tax, \$4 million after-tax or \$0.11 per share. The entire charge is recorded in cost of sales. Geographically, \$3 million is recorded in North America and \$4 million in Europe.

(b) Includes a pre-tax expense of \$5 million, \$3 million after-tax or \$.07 per share related to debt issuance costs that were deferred on the senior debt we paid down with the proceeds of the \$350 million bond offering.

(c) Includes a \$14 million or \$.36 per share tax benefit related to the resolution of several tax issues.

(d) Includes restructuring and restructuring related charges of \$6 million pre-tax, \$3 million after-tax or \$0.08 per share. The entire charge is recorded in cost of sales. Geographically, \$3 million is recorded in both North America and Europe.

(e) Includes costs associated with the amendment of the senior debt agreement of \$2 million pre-tax, \$1 million after-tax or \$0.03 per share. The entire charge is recorded in SG&A. Geographically, \$1 million is recorded in both North America and Europe.

(f) Includes a gain on the sale of a UK facility of \$11 million pre-tax, \$5 million after-tax or \$0.13 per share. Geographically, all of the gain is recorded in Europe.

(g) Includes a \$6 million or \$.17 per share tax benefit related to the resolution of several tax issues.